



United States Department of the Interior

BUREAU OF LAND MANAGEMENT
Utah State Office
P.O. Box 45155
Salt Lake City, UT 84145-0155
<http://www.blm.gov>



IN REPLY REFER TO:
UTU-78405
(923)

RECEIVED FEB 20 2007

FEB 21 2007

DIV. OF OIL, GAS & MINING

CERTIFIED MAIL--Return Receipt Requested

Mr. Rich LaConti
American Gilsonite Company
29950 South Bonanza Highway
Bonanza, UT 84008

Re: Mining Plan Modification (Escape shaft) Federal Gilsonite lease UTU- 078405, I-30 Mine

Dear Mr. LaConti:

MINING PLAN MODIFICATION APPROVAL

Background- We have received your request to modify your mining plan by moving the escape shaft to a new location in an already approved disturbed area. BLM has inspected the site on December 11, 2006 and found that the plan would make sense. MSHA requires that a secondary means of egress from the mine. MSHA does not require a certain location for the escape shaft. The previous approved plan approved the location east of the main production shaft. This area will be abandoned due to the difficulty in the mine being able to get to this location underground.

Approval- Approval is granted to move the location of the I-30 escape shaft to the location that appears on the drawing in Enclosure 1.

Conditions of Approval-

All conditions of approval under the original I-30 mining plan will be applicable for this approval.

Notice(s)-

1. Any exploration or additional activities not included in the Mine Plan Approval must be approved by the BLM prior to commencement.
2. Should mining conditions warrant a change to your mine plan approval (mining and reclamation plan), you must submit, in writing a request for modification to the Utah State Office (attn: Mr. Stan Perkes) and receive a written approval prior to conducting the proposed modification(s).
3. This approval does not constitute any approval required by other agencies

Bond- The Utah Division of Oil, Gas and Mining has bonded this site for reclamation. This action will not increase the reclamation liability for this site. The Lessee has appropriate bonding for other lease terms and conditions with BLM. There is no additional bonding necessary for this action at this time. BLM may adjust the bond amount at any time.

NEPA- There is no new surface disturbance due to this action and therefore this action is Categorically Excluded (CX) under DM 518 chapter 11, paragraph F. (8) Approval of minor modifications to or minor variances from activities described in an approved underground or surface mine plan for leasable minerals. (e.g., change in mining sequence or timing.). This is documented in CX -UT-USO-07-007.

For further information contact Mr. Stan Perkes, (801) 539-4036.

Sincerely,

JAMES F KOHLER

James F. Kohler
Chief Solid Minerals

Enclosure: Map

bcc: Central Files
Vernal Field Office
Utah Division of Oil, Gas, and Mining (Attn. Paul Baker, 1594 West North Temple, P.O.
Box 145801, Salt Lake City, Utah, 84114-5801
Mine Files - UTU-78405

SPerkes:sa:09/12/06:Mine Files/AG/I-30/78405Mine Plan Escape shaft Approval 02 15 2007

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING
1594 West North Temple - Suite 1210
Box 145801
Salt Lake City, Utah 84114-5801
Telephone: (801) 538-5291
Fax: (801) 359-3940

LARGE MINING OPERATIONS 2006 PROGRESS REPORT
January 1, 2006 to December 31, 2006

The information required in this form are based on provisions of the Mined Land Reclamation Act, Title 40-8, and the rules as under the Utah Minerals Regulatory Program.

1. Mine Permit Number: M/047/010
2. Mine Name: American Gilsonite Co., Bonanza Mine
3. Name of Operator/Permittee: American Gilsonite Co.

Note: If Operator's address, company representative or phone number have changed, please provide a replacement page to the Notice of Intention.

4. Mine Location: Bonanza, Utah

5. Report the gross amount of ore mined and waste moved, as well as the arrangement, positioning, or distribution of the material:

Gross Ore Mined 58,000 Tons, or _____ yd³
Waste Material Moved 0 Tons, or _____ yd³
New Disturbance 0 Acres during 2006
Area Reclaimed * Acres during 2006
Total Disturbed Area 108 Acres*

Was the ore shipped off site? If not, where is the ore located? _____

Yes

Where is the waste located? N/A

*Total life of mine disturbance to the end of 2006.

6. Briefly describe the reclamation work performed during the past year. A map showing reclaimed areas and dates is suggested. (Submit form MR-SITE for an application for full or partial bond/site release).

* Please see DOGM Letter dated 12/28/06.

→ Updated maps were submitted 12/21/06.

7. Include an updated map depicting surface disturbance and reclamation performed during the year, prepared in accordance with Rule R647-4-105.

I hereby certify, under penalties of law, the information provided in this report is true and correct to the best of my knowledge and belief.

Name (Typed or Print): Jared Jackson
Title of Operator: Production Manager
Signature of Operator: Jared Jackson
Date: 2/7/07

Reviewed
2/16/07
[Signature]

RECEIVED

FEB 08 2007

DIV. OF OIL, GAS & MINING